

UAC INSURANCE MUTUAL

Board of Trustees Meeting

Friday, August 18, 2000, 10:00 a.m.

Utah Association of Counties Building

A G E N D A

10:00	Call to Order	Gary Herbert
	Review of Board Members Absent	Gary Herbert
	Approval of July Minutes	Gary Herbert
	County Health Program	Brent Gardner
	Driver Policy	Shawn Guzman
	Olympic Aid Agreement	Kent Sundberg
	Summary of Financial Statements	Shawn Guzman
	Broker's Report	Rich Stokluska
12:00	Lunch Break	
	2001 Premium Contributions	Shawn Guzman
	Set Date and Time for Closed Meeting to Discuss Pending or Reasonably Imminent Litigation	
	Action on Litigation Matters	Kent Sundberg
	Set Date and Time for Closed Meeting to Discuss the Character, Professional Competence, Physical or Mental Health of an Individual	
TBD	Adjourn	

UACIM BOARD OF TRUSTEES MEETING MINUTES

August 18, 2000, 10:00 a.m.
Utah Association of Counties Building

BOARD MEMBERS PRESENT

Gary Herbert, *President*, Utah County Commissioner
Dan McConkie, *Vice President*, Davis County Commissioner
Sarah Ann Skanchy, *Secretary-Treasurer*, Cache County Council Member
Chad Johnson, Beaver County Commissioner
Ty Lewis, San Juan County Commissioner
Royal Norman, Box Elder County Commissioner
Tex Olsen, Sevier County Commissioner
Kent Petersen, Emery County Commissioner
Kent Sundberg, Utah County Deputy Attorney

BOARD MEMBERS ABSENT

Ken Bischoff, Weber County Commissioner
Ed Phillips, Millard County Sheriff

OTHERS PRESENT

Brent Gardner, UAC Executive Director
Shawn Guzman, UACIM Director
Sonya White, UACIM Administrative Assistant
Rich Stokluska, GRMS Account Executive

CALL to ORDER

Gary Herbert called the meeting to order and welcomed those in attendance.

REVIEW of BOARD MEMBERS ABSENT

Ken Bischoff requested to be excused from this meeting due to a prior commitment. Ed Phillips explained at the July meeting that the Sheriff's Association had scheduled their monthly meeting for today and that he would be late for this meeting. Sarah Ann Skanchy made a motion to excuse Ken Bischoff from this meeting. Chad Johnson seconded the motion, which passed unanimously.

APPROVAL of MINUTES

The minutes of the Board of Trustees meeting held July 27, 2000 were previously sent to the Board Members for review. Sarah Ann Skanchy made a motion to approve the July 27 minutes as written. Royal Norman seconded the motion, which passed unanimously.

COUNTY HEALTH PROGRAM

At the July Board meeting, a motion was made for Shawn Guzman and Sonya White to collect data and information needed for Gregg Aleman to begin a feasibility study for an Employee Benefit Pool. Shawn explained that Brent Gardner had sent out a Health Care Survey to all the counties in mid-July. Shawn thought it was best to see the results of this survey so in as not to duplicate the effort.

Brent Gardner reported that the Health Care Survey was sent out to compile information and to find out how many counties are interested in negotiating lower rates with local health care providers (see attachment #1). 14 counties responded to the survey (see attachment #2) and a telephonic conference was held with Shawn Guzman, Heather Hobbs, Dan McConkie, Felix McGowen, Tex Olsen and Kent Sundberg. It was decided that a coverage proposal would be drafted at a meeting scheduled for September 13.

DRIVER POLICY

Shawn Guzman reviewed recommended changes to the Auto Liability Section of the 2000 Coverage Agreement with the Board (see attachment #3). Changes to A.2 were incorporated under the direction of the Davis County Attorney's office. The main changes in the section are: no separate insurance requirement for drivers with the offenses listed in section two and only those motor vehicle records for drivers with these offenses must be submitted to UACIM but motor vehicle records must be obtained on all drivers and kept at the county offices. Ty Lewis made a motion to approve the amended auto liability section of the 2000 Coverage Agreement with the following change to A.5 *require each Insured for whom a report is required under sub-section 1 to complete a driver's training course at least every three years.* Chad Johnson seconded the motion, which passed with Kent Sundberg opposed.

DIRECTOR'S REPORT

AIG Audit. Shawn Guzman reported that the auditor hired by AIG conducted his audit of the 1994 policy year on August 8-9. After reviewing several files and financial statements, he reported that AIG owes the Mutual \$102,911.50. He will issue his formal written report to Kathleen Brady of AIG by Monday, August 21. Shawn will follow-up with a letter requested that AIG pay the money owed within 10 days or a bad faith action will be filed against them.

Loss Control Manager Position. Shawn Guzman reported that he and Brent Gardner have each narrowed down the applicants for the Loss Control Manager position to approximately 25. They will be meeting Monday, August 21 to compare their selections prior to mailing the resumes to Ken Bischoff, Gary Herbert, Ed Phillips and Kent Sundberg for their review and ranking.

OLYMPIC AID AGREEMENT

Kent Sundberg reported that the Litigation Management Committee did not meet prior to this meeting and therefore will make a recommendation to the Board on this issue at the next meeting.

SUMMARY of FINANCIAL STATEMENTS

The financial statements for the month ending July 2000 were previously sent to the Board for review. The *Statutory Statement of Admitted Assets, Liabilities and Surplus* (page three) lists excess receivable of \$104,726, the amount owed to the Mutual by AIG as of July. Total surplus is at \$3,763,747, a \$65,293 increase from June. Net Income (page four) is at \$345,019, a \$58,209 increase from June. Net investment income received (page six) is at \$341,318, a \$49,528 increase from June. The interest rate (page 10) has increased .01% from June. The Budget to Actual Comparison (page 12) shows the Mutual at 83.9% with the budget year 58.3% complete.

BROKER'S REPORT

Rich Stokluska presented the Board with a 2001 Risk Management proposal (see attachment #4). Rich reported that the renewal information for the Mutual was marketed and 13 quotes for property have been received. To determine the attachment point, underwriting uses the exposures and trended and developed total incurred losses. Exposures of the Mutual have increased 10.7% (page five and six) from last year. The attachment point for 2001 has been set at \$1,715,000. Rich reviewed the summary of marketing results (see attachment #5) and explained that complete details of all quotes received are listed in the proposal (pages 14-27). With the increasing deterioration of Reliance Insurance Company, Rich recommended that the Board contract with a property carrier for an 18-month policy. Dan McConkie made a motion to cancel the Mutual's Reliance Property policy effective September 1 and purchase a new policy from Travelers (Option 2) for a premium of \$116,000 for the remainder of the 2000 policy period and a premium of \$348,948 for the 2001 policy period. It is understood that approximately \$45,000 will be refunded from Reliance. The motion also includes an amendment to the 2000 general budget to increase the reinsurance amount \$116,000. Tex Olsen seconded the motion, which passed unanimously.

2001 PREMIUM CONTRIBUTIONS

Shawn Guzman and Sonya White prepared three premium formula scenarios for the Board to review (see attachment #6). Shawn explained that the premiums for property, liability and the loss fund increase a total of \$252,790 or 7.5% over last year.

Scenario #1 2000 Formula. The Loss Fund is calculated by using the previous three-year's losses (adjusted for any shock losses over \$25,000) and capped at either a plus or minus seven percent. Reinsurance is calculated by using the exposures divided by the reinsurance coverage premiums. Expenses are allocated at 2/3 pro-rata and 1/3 per member amounts of the total expenses of the Mutual. The total premium per county is then capped at either a plus or minus seven percent. This scenario under funds the loss fund by \$145,467.

Scenario #2 Modified Exposure-Based Formula. The Loss Fund is calculated by using the same formula as scenario #1 but without a seven percent cap. Reinsurance is calculated by weighing the exposures, in the areas wherein the Mutual has most of its claims, greater than in the formula adopted last year. Expenses are calculated using the same percentages as the 2000 formula. The total premium was then calculated with and without an overall seven percent cap and a 17% cap. A seven percent cap will under fund the loss fund by \$221,368.

Scenario #3 Exposure-Based Formula. This formula is one used by other pools in which the total amount to operate the Mutual is calculated and then weighed heavily in the areas where claims are greater. Without a cap the loss fund is fully funded. With a seven percent overall cap the loss fund is under funded by \$255,290.

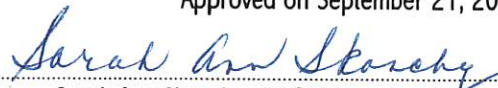
Dan McConkie made a motion to adopt scenario #1. Royal Norman seconded the motion, which passed with Chad Johnson and Ty Lewis opposing. The Board directed Shawn to research the loss history of Weber County in an effort to bring their premium to a level that is in line with the rest of the members for their 2002 contribution. The Board directed Shawn to research scenario options for the 2002 member premium contributions to include the distribution of member equity.

OTHER BUSINESS

Shawn Guzman gave a copy of the Standard Analytical Service's Independent Comparative Report comparing the UAC Insurance Mutual to the property and casualty industry average (see attachment #7). The Mutual has a wide margin of assets over liabilities that indicate financial soundness and the ability to meet all obligations as they become due. The Mutual is above the industry average in all areas.

The next meeting of the Board of Trustees will be held Thursday, September 21, 2000 at 9:30 a.m. at the Utah Association of Counties building.

Approved on September 21, 2000



Sarah Ann Skanchy, UACIM Secretary-Treasurer
Cache County Council Member

County Health Care Survey

At the request of a number of counties and the UACIM Board of Trustees, UAC is seeking county input into a survey pertaining to the current provider and coverage specifications for health care. Please take the time to complete the survey or pass it on to the proper staff person who has the necessary information. As you know health care costs are increasing rapidly. During the past two years they have increased an average of 13% and are projected to increase an additional 15% next year.

By completing the survey you will provide valuable information to UAC that may be used to negotiate with health care providers on behalf of UAC members to seek more favorable coverages and rates.

County _____ Name _____ Title _____

1. Name of current health care provider for county employees.
2. How long has the county contracted with this provider?
3. Is the county satisfied with its coverages and services?
4. Has the cost for coverage increased during the past year? Yes ☐ No ☐ If so what is the percentage increased for family coverage _____, and for single coverage _____?
5. Please fill out the following monthly premium chart.

Monthly Premium Amounts Paid		
Type of Coverage	Family Coverage	Single Coverage
Medical		
Dental		
Vision		

6. How much of the monthly medical premium does the county pay for coverage?
7. Is there a deductible amount that the employee is required to meet before coverage begins? Yes ☐ No ☐ If so what is the amount of the deductible \$ _____?
8. Is there a co-pay for office visits or other treatments? Yes ☐ No ☐ If so what is the amount of the co-pay for an office call \$ _____?
9. Does the coverage include prescription drugs?

10. Is there a co-pay for prescriptions? Yes ☐ No ☐ What is the amount of the co-pay \$_____?
11. Does the coverage include dental?
12. How much of the monthly dental premium does the county pay?
13. Does the coverage include vision?
14. Is there more than one provider of health care offered to county employees?
15. How many employees are covered for the health care _____ for dental _____ for vision _____? If more than one provider is offered, please give numbers for each provider.
16. If the county is self-insured, who is the excess or catastrophic insurance carrier or provider?
17. If the county is self-insured, does it have a self-insured retention amount, stop limit, or deductible under the policy? Yes ☐ No ☐ If so what is that amount of retention \$_____?
18. Circle one: Is there a deductible, or stop limit, *per person* or *per family* ? If so, what is the amount \$_____?
19. If the county is self-insured, who administers claims for the county?
20. If a third party administers claims, who is the third party?
21. What is the annual fee paid to the third party administrator?
22. Would your county be interested in joining a larger county health pool if one is created?
23. If your county is self-insured, what is the amount paid out in health claims in 1999 by the county?

Please fax or send completed survey:

Fax # - (801) 265-9485

Utah Association of Counties
5397 South Vine Street
Salt Lake City, Utah 84107

Thank you for your help and cooperation!

	Beaver Clerk/Auditor	Daggett Auditor	Duchesne Personnel Director	Emery Personnel Director	Garfield Clerk/Auditor	Grand Chief Deputy
1. Provider	PEHP/JULGT Preferred Care Plan	ULGIT	IHC	Intermountain Benefit Admin / CBSA	ULGD/PEHP	Regence Blue Cross - partially self funded
2. Time with provider	5 years	10 years	4 years	11 years	1 year	2 years
3. Satisfaction	Yes	Somewhat	Some like, others dislike	Yes	Yes	For the most part
4. Cost Increases	Yes	Yes	No	Yes	Yes	Yes
Family % Increase		10%		11%	9%	
Single % increase				11%	4.50%	
5. Monthly Premium			(Further Info Provided)			
Medical Family	\$ 654.50	\$ 654.50	\$ 525.50	\$ 842.25	\$ 586.00	\$ 510.00
Medical Single	\$ 246.00	\$ 249.50	\$ 201.10	\$ 346.88	\$ 213.00	\$ 200.00
Medical Couple			\$ 423.90			
Dental Family	\$ 70.00	\$ 70.00	\$ 53.26	part of Med	\$ 82.00	\$ 58.00
Dental Single	\$ 31.00	\$ 31.00	\$ 25.42	part of Med	\$ 35.00	\$ 25.00
Dental Couple			\$ 43.44			
Vision Family	\$ 14.00			part of Med	\$ 14.00	\$ 14.00
Vision Single	\$ 3.50			part of Med	\$ 3.50	\$ 3.50
Vision Couple						\$ 7.00
6. County Premium Costs	90%	All	Varies	All	All	All
Family Amount		\$ 654.50	\$ 363.60	\$ 842.25	\$ 586.00	\$ 510.00
Single Amount		\$ 249.50	\$ 201.10	\$ 346.88	\$ 213.00	\$ 200.00
Couple Amount			\$ 312.50			
7. Deductible	No	No	Yes - Depending on Coverage	Yes	No	Yes
Deductible amount			\$200.00/\$400.00 per person \$400.00/\$800.00 per family	\$100/family member, \$200/family		\$200.00 if use nonprovider \$10.00 otherwise
8. Office Visit Co-Pay	Yes	Yes	Yes	Yes	Yes	Yes
Co-pay amount		\$ 15.00	\$15.00 after deductible	20%-30%	\$ 15.00	\$ 10.00
9. Prescription Drugs	Yes	Yes	Yes	Yes	Yes	Yes
10. Prescription Co-Pay		Yes	Yes	Yes	Yes	Yes
Co-pay amount			\$7.00 generic, \$14.00 brand labels, \$25.00 preferred	10%-20% generic, 30%- 40% brand labels	A percentage	\$5.00 generic, 20% brand labels
11. Dental	Yes	Yes	Yes - Blue Cross Blue Shield	Yes	Yes	Yes
12. County Dental Cost	90%	All		All	None	All

13. Vision		Yes	No	IHC - Medical Blue Cross Blue Shield - Dental	Yes	Yes	Yes	Yes
14. Additional Provider		No	No		No	No	No	No
15. Employees Covered								
Health/Medical		70	31	109	137	71	103	
Dental		70	31		137	43	99	
Vision		50	0		137	29	70	
16. Self-Insured Provider				Dental is self-insured	Med Ex (AIG Life)		Regence Blue Cross	
17. Retention/Stop Limit					Yes			
Retention Amount					\$ 985,000.00			
Deductible					Yes			
Per person amount					\$ 15,000.00			
Per family amount								
19. Claims Administration				BCBS	CBSA		Regence Blue Cross	
20. Third Party					CBSA		None	
21. Third Party Fee					%21.85/ participant		\$29.52 per medical, \$1.75 per vision, \$4.30 per dental, \$3.33 employee assistance	
22. County Health Pool			Yes		Very Interested	Yes	Not Sure	
23. Claims Amount 1999					\$ 960,188.07			

	Iron Personnel Director	Kane Human Resource Director	Millard Chief Deputy/Auditor	Sanpete Auditor	Sevier Clerk/Auditor
1. Provider	Blue Cross Blue Shield of Utah	IHC	IHC	ULGT	Self insured - Regional Insurance Managers
2. Time with provider	5 years		7 years	16 years	3 years
3. Satisfaction	Yes	Yes	Yes	Yes	Yes
4. Cost Increases	Yes	Yes	Yes	Yes	Yes
Family % Increase	1%	10%	3%	7%	9%
Single % Increase	25%	10%	3%	7%	7%
5. Monthly Premium			(Further info Provided) It varies by plan		
Medical Family	\$ 413.30	\$ 552.10	\$ 572.60	\$ 561.50	\$ 674.37
Medical Single	\$ 156.60	\$ 156.00	\$ 228.50	\$ 213.00	\$ 274.10
Medical Couple			\$ 498.30		
Dental Family	\$ 110.22	\$ 61.47	\$ 65.94	\$ 82.00	\$ 76.60
Dental Single	\$ 89.58	\$ 19.58	\$ 21.70	\$ 35.00	\$ 31.77
Dental Couple					
Vision Family	Part of Med	\$ 15.37		\$ 14.00	\$ 18.97
Vision Single	Part of Med	\$ 7.15		\$ 3.50	\$ 4.88
Vision Couple					
6. County Premium Costs	All	All	\$161.40 applied to any plan chosen	All	All
Family Amount	\$ 413.30	\$ 552.10		\$ 561.50	\$ 674.37
Single Amount	\$ 156.60	\$ 156.00		\$ 213.00	\$ 274.10
Couple Amount					
7. Deductible	Yes	No	Yes - depending on plan	No	Yes
Deductible amount	\$100.00 for Blue Cross Coverage		\$100.00/\$300.00		200
8. Office Visit Co-Pay	Yes	Yes	Yes - depending on plan	Yes	Yes
Co-pay amount	\$15.00 for Valuecare	\$ 10.00	\$10.00/\$15.00	\$ 15.00	\$ 10.00
9. Prescription Drugs	Yes	Yes	Yes	Yes	Yes
10. Prescription Co-Pay	Yes	Yes	Yes	Yes	Yes
Co-pay amount	20% generic, 30% brand labels, 50% certain drugs	\$3.00, \$5.00, or \$10.00	\$5.00 generic, \$10.00 brand labels, \$20.00 non-preferred	20% of discounted fee	\$5.00 generic, \$10.00 brand labels
11. Dental	Yes	Yes	No	Yes	Yes
12. County Dental Cost	All	All	\$21.40 single coverage	All	All

13. Vision		Yes		Yes	Limited Coverage	Yes	Yes
14. Additional Provider		No		No	No	No	No
15. Employees Covered							
Health/Medical	141			63	126	55	64
Dental	141			63	126	59	72
Vision	141			63	126	57	73
16. Self-Insured Provider	Regence Blue Cross						BCS Insurance Co.
17. Retention/Stop Limit	(Further Info Provided)						Yes
Retention Amount							\$ 435,037.00
18. Deductible	Yes						Yes
Per person amount	\$ 50,000.00					\$ 1,500.00	\$ 15,000.00
Per family amount						\$ 3,000.00	
19. Claims Administration	Regence Blue Cross						CBSA
20. Third Party	None						CBSA
21. Third Party Fee	\$44.05 per medical, RX, Vision, and Dental coverage per month						Approx. \$14,000
22. County Health Pool	Depending on administration costs, requirements, and providers			Question	Possibly	Question - Like current provider	Possibly
23. Claims Amount 1999	Self Insurance began 01-01-00						\$ 574,097.00

	Tooele Personnel Director	Wasatch Clerk/Auditor	Wayne Clerk/Auditor	Averages
1. Provider	United Health Care	PEHP	ULGT-PEHP	
2. Time with provider	3 years	3 years	15 years	
3. Satisfaction	Yes	Yes	Yes	
4. Cost Increases	Yes	Yes	Yes	
Family % Increase		9%	8%	8%
Single % increase		9%	8%	9.39%
5. Monthly Premium				
Medical Family	\$ 488.20	\$ 605.50	\$ 595.00	\$ 588.95
Medical Single	\$ 186.65	\$ 233.50		\$ 223.45
Medical Couple			\$ 434.00	\$ 452.07
Dental Family	\$ 75.80		\$ 68.80	\$ 72.84
Dental Single	\$ 24.70			\$ 33.61
Dental Couple			\$ 48.47	\$ 45.96
Vision Family				\$ 15.06
Vision Single				\$ 4.34
Vision Couple				\$ 7.00
6. County Premium Costs	All for employee - 40% for family		All	
Family Amount		\$ 489.50	\$ 595.00	\$ 568.37
Single Amount		\$ 233.50		\$ 224.37
Couple Amount			\$ 434.00	\$ 373.25
7. Deductible	No	Yes	Yes	
Deductible amount		150	\$25.00 - dental only	
8. Office Visit Co-Pay	Yes	Yes	Yes	
Co-pay amount	\$ 20.00	\$ 15.00	\$ 15.00	\$ 13.89
9. Prescription Drugs	Yes	Yes	Yes	
10. Prescription Co-Pay	Yes	Yes	Yes	
Co-pay amount	\$10.00, \$15.00, or \$30.00		20% of discounted fee - \$10.00 generic	
11. Dental	Yes - BC/BS - not UHC All for employee - 40% for family	Yes	Yes	
12. County Dental Cost			All	

13. Vision	No	Yes	No	
14. Additional Provider	No	No	Yes	
			Health - PEHP Dental - Fortis	
15. Employees Covered				
Health/Medical	230	150	27	98
Dental	251	150	27	98
Vision	0	150	0	69
16. Self-Insured Provider				
17. Retention/Stop Limit				
Retention Amount				
18. Deductible				
Per person amount				
Per family amount				
19. Claims Administration				
20. Third Party				
21. Third Party Fee				
22. County Health Pool	Willing to learn more	Yes		
23. Claims Amount 1999				

III. SPECIFIC CONDITIONS - AUTO LIABILITY SECTION

A. Each **Member** agrees to:

1. on or before June 1, 2001, obtain a current State of Utah Motor Vehicle Report for each **Insured** that the **Member** should reasonably anticipate will drive a motor vehicle in the scope of employment with the **Member** during the coverage period; and
2. provide a written statement to the **Mutual** on or before June 1, 2001, with the names of each **Insured** whose Motor Vehicle Report was obtained along with copies of the reports of any **Insured** who has any of the following offenses on the record:
 - i. a conviction for Driving Under the Influence of Alcohol, Drugs or with Specified or Unsafe Blood Alcohol Concentration, Alcohol Related Reckless Driving, or Reckless Driving since January 1, 2000;
 - ii. has two or more moving violations since January 1, 2000;
 - iii. has had their driver's license suspended or revoked since January 1, 2000; and
3. maintain the records obtained for each **Insured** on file until June 1, 2002, and to make the records available for inspection by the **Mutual**; and
4. before extending an offer of employment, obtain a current State of Utah Motor Vehicle Report for each prospective employee who the **Member** should reasonably anticipate will drive a motor vehicle in the scope of employment, or, in the alternative, extending an offer of employment conditional upon the receipt and review of the report by the **Member**.
5. require each **Insured** for whom a report is required under sub-section 2 to complete a driver's training course at least every three years;

- B. In the event that liability is incurred by reason of **Bodily Injury** suffered by any employee of a **Member** which does not arise out of the injured employee's employment and for which another **Member** is liable, then this **Agreement** shall indemnify the **Member** for that liability in the same manner as if separate agreements had been issued to each **Member**.

In the event that liability is incurred by reason of **Property Damage** to property belonging to any **Member** for which another **Member** is liable, then this **Agreement** shall indemnify the **Member** in the same manner as if separate agreements had been issued to each **Member**.

Nothing contained in this condition shall operate to increase the **Mutual's** limits of liability.

III. SPECIFIC CONDITIONS - AUTO LIABILITY SECTION

A. As a condition precedent to coverage under this section the **Member** shall:

1. on or before June 1, 2000, submit a current Motor Vehicle Report prepared by the State of Utah for each **Insured** that the **Member** should reasonably anticipate will drive an auto in the scope of employment with the Member during the coverage period; and
2. require each person for whom a report is required under subsection 1, to complete a driver's training course at least every two years;

B. The **Member** shall provide separate insurance for each person reasonably anticipated to drive an **Auto** in the scope of employment with the **Member** during the coverage period, to whom any of the following applies:

1. the latest Motor Vehicle Report shows an offense for either Driving Under the Influence, or Alcohol Related Reckless Driving since January 1, 2000;
2. the Motor Vehicle Report submitted under A.1. shows more than 180 points; or
3. has had two or more at fault accidents in the past year for which the Mutual has incurred loss;

C. In the event that liability is incurred by reason of **Bodily Injury** suffered by any employee of a **Member** which does not arise out of the injured employee's employment and for which another **Member** is liable, then this **Agreement** shall indemnify the **Member** for that liability in the same manner as if separate agreements had been issued to each **Member**.

In the event that liability is incurred by reason of **Property Damage** to property belonging to any **Member** for which another **Member** is liable, then this **Agreement** shall indemnify the **Member** in the same manner as if separate agreements had been issued to each **Member**.

Nothing contained in this condition shall operate to increase the **Mutual's** limits of liability.

DIRECTOR'S REPORT AUGUST 18, 2000

1. AIG Audit. The auditor hired by AIG to audit the '94 year was here on August 8th and 9th. After auditing several files and financial statements, he agreed with our position that AIG owes the Mutual \$102,000. Kevin Lindell from McClarens Toplis was here from Chicago to help assist us during the audit and was very helpful. The auditor expected to have his report to Kathleen Brady at AIG by Monday, August 21st. I will be writing Ms. Brady next week requesting that AIG pay the money within 10 days to the Mutual or we will file a bad faith action against them.

2. Loss Prevention Manager position. Both Brent and I have narrowed the applications to 25. We have some differences in our selections and will meet on Monday to decide on the final 25. I will then mail out the resumes to the committee for their review and ranking.

UTAH ASSOCIATION OF COUNTIES Property Marketing Results

	Utah Association of Counties	Utah Association of Counties	Utah Association of Counties	Utah Association of Counties	Utah Association of Counties
A.M. Best's Rating	A- XII	A- VI	A- VI	A XII	A XI
Self-Insured Retention	\$150,000	\$150,000	\$150,000	\$150,000	\$150,000
Limit per Occurrence	\$100,000,000	\$100,000,000	\$5,000,000	\$100,000,000	\$100,000,000
Limit Excess of Primary ⁽¹⁾			95,000,000		
Total Limit	\$100,000,000	\$100,000,000	\$100,000,000	\$100,000,000	\$100,000,000
Sublimits:					
Flood	\$25,000,000	\$25,000,000	\$25,000,000	\$25,000,000	\$25,000,000
Zone 'A' Exclusion	No	No	No	No, limited to \$5,000,000	Yes
Earthquake	\$25,000,000	\$25,000,000	\$25,000,000	\$25,000,000	Excluded
Builders' Risk	\$5,000,000	\$5,000,000	\$5,000,000	Available ⁽²⁾	Available ⁽²⁾
Demolition/Increased Cost of Construction	\$5,000,000	\$5,000,000	\$5,000,000	\$5,000,000	\$5,000,000
Debris Removal	\$5,000,000	\$5,000,000	\$5,000,000	\$5,000,000	\$5,000,000
Newly Acquired Property	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000
Errors & Omission	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	Excluded
Pollutant Cleanup	\$250,000	\$250,000	\$250,000	Excluded	\$250,000
Automobile Physical Damage	Included	Included	Included	Available ⁽²⁾	Available ⁽²⁾
Total Premium	\$136,000	\$335,321	\$293,199	\$250,000	\$225,000

(1)

Provided by Royal Insurance Co. (A.M. Best's Rating A XIV).

(2)

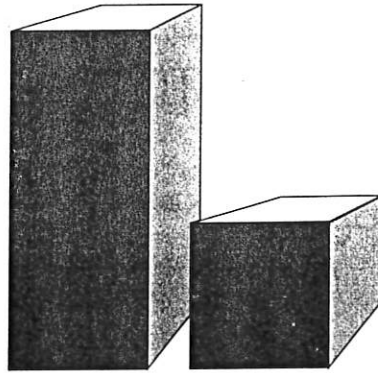
Premiums would be adjusted using the current policy rate for any builders' risk projects added during the term of the agreement.

Property Marketing Summary	
Company	Comments
Allianz	Declined--priced too thin
Travelers Insurance Group	Declined due to price
Munich Re	Not a valid property market-capacity
Genesis	Indication @ .05 rate
Lexington Insurance Company	Primary limit only with loss limit
TIG	Quoted
Affiliated FM	Declined--priced too thin
Swiss Re	Quoted excluding Flood Zone A and Earthquake
Scor Re	Declined due to Earthquake limits/exposures
Discover Re	Quoted two options
Zurich-American	Declined due to price
Royal Insurance Co.	Primary too thin; excess limit possible.

FINANCIAL STABILITY The financial condition of an insurance organization is an important factor in confidence. In this regard we believe the fundamental factors listed below are significant. The following is a COMPARATIVE ANALYSIS of these basic factors, comparing

UTAH ASSOCIATION OF COUNTIES INSURANCE MUTUAL

with the *Aggregate Average of the Property and Casualty Industry. Using these aggregates as a yardstick a number of comparisons can be made. Some of the most significant ones are shown below. **Figures for the individual company featured herein are derived from the annual statement as of December 31, 1999.**
*Aggregate Average of 2,499 Property and Casualty Companies.



ASSETS LIABILITIES SOLVENCY

ASSETS to LIABILITIES Assets for each \$100 of Liabilities. A wide margin of Assets over Liabilities can be a significant safety factor. This may indicate financial soundness and a Company's ability to meet all obligations as they become due.

*PROPERTY AND CASUALTY INDUSTRY AVERAGE \$157.21

UTAH ASSOC. OF COUNTIES... \$217.27
STANDARD ANALYTICAL SERVICE, INC.?

SURPLUS to LOSS RESERVES (Surplus per \$100 of Loss Reserves, including Loss Adjustment Expenses Reserve). A high ratio of Surplus (including Capital, if any) per \$100 of Loss Reserves may show further proof of strength and stability.

*PROPERTY AND CASUALTY INDUSTRY AVERAGE \$89.44

UTAH ASSOC. OF COUNTIES... \$117.54

SURPLUS to NET PREMIUMS WRITTEN (Surplus, including Capital, if any) Per \$100 of Premiums Written. A large surplus ratio may indicate the ability to maintain a proper balance between surplus and the volume of business written.

*PROPERTY AND CASUALTY INDUSTRY AVERAGE \$118.65

UTAH ASSOC. OF COUNTIES... \$163.08

INVESTED ASSETS in CASH, BONDS and STOCKS to LIABILITIES Assets in Cash, Bonds, Stocks and Short Term Investments for each \$100 of Liabilities. A substantial amount of Assets readily convertible to cash can be an indication of the ability with which an insurer may meet unforeseen emergencies that may arise.

*PROPERTY AND CASUALTY INDUSTRY AVERAGE \$125.32

UTAH ASSOC. OF COUNTIES... \$215.83

FINANCIAL STATEMENT SUMMARY AS OF DECEMBER 31, 1999

Assets	Liabilities	Gross Surplus
\$7,492,347	\$3,448,301	\$4,044,046
Net Premiums Written	**Losses Incurred	***Loss Reserves
\$2,479,776	\$1,435,593	\$3,440,301
	Premiums Earned	
	\$2,479,776	

**Includes Loss Expenses Incurred

***Includes Loss Adjustment Expenses Reserve

Factual Analysis of Significance

Standard Analytical Service, Inc. is independent of any insurance company or companies, and we do not sell any kind of insurance. Our financial reports and comparisons, reprints of which are paid for by the companies, are based on statutory financial statements filed with the state insurance departments.

This report should not be interpreted as an analysis of the stock value of a capital stock company, nor is it intended to imply that the company featured will be as successful or is better than the companies making up the aggregate averages, nor is it a recommendation or analysis of the specific policy provisions, rates or claims practices of the organization featured. Its use for all companies, stock, mutual or fraternal, is intended to serve as a guide with respect to the current financial responsibility of the individual company featured herein, based upon the current statutory financial statements on file with the state insurance departments where they are available for public inspection.

INDEPENDENT

COMPARATIVE

REPORT

ON:

UTAH ASSOCIATION

OF

COUNTIES INSURANCE MUTUAL

Murray, Utah



Standard Analytical Service, Inc.

5960 Howdershell Road • Suite 101 • St. Louis, MO 63042



UTAH ASSOCIATION OF COUNTIES INSURANCE MUTUAL

PROPERTY MARKETING RESULTS

Description				
Insurance Company	Travelers (Option 1)	Travelers (Option 2)	Travelers (Option 3)	CNA
A.M. Best's Rating	A+ XV	A+ XV	A+ XV	A XV
Property Limit	\$250,000,000	\$250,000,000	\$250,000,000	\$100,000,000
Flood Limit/Aggregate	\$5,000,000	\$25,000,000	\$25,000,000	\$25,000,000
Flood Zone "A" Sublimit	\$2,000,000	\$2,000,000	\$2,000,000	\$5,000,000
Earthquake Limit/Aggregate	\$5,000,000	\$25,000,000	\$25,000,000	\$25,000,000
Deductibles:				
• All Perils	\$150,000	\$150,000	\$150,000	\$150,000
• Earthquake	\$150,000	2% of location limit at time of loss	\$150,000	\$150,000
• Flood	\$150,000	\$150,000	\$150,000	\$150,000
Annual Premium	\$460,315	\$348,948	\$683,048	\$394,736

UTAH ASSOCIATION OF COUNTIES INSURANCE MUTUAL

PROPERTY MARKETING RESULTS

Description				
Insurance Company	Hartford Fire	Coregis (Option 1)	Coregis (Option 2)	Genesis (Option 1)
A.M. Best's Rating	A + XV	A IX	A IX	A++ XV
Property Limit	\$100,000,000	\$100,000,000	\$100,000,000	\$100,000,000
Flood Limit/Aggregate	\$25,000,000	\$25,000,000	\$5,000,000	\$10,000,000
Flood Zone "A" Sublimit	Excluded	Excluded	Excluded	\$10,000,000
Earthquake Limit/Aggregate	\$25,000,000	\$25,000,000	\$5,000,000	\$10,000,000
Deductibles:				
• All Perils	\$150,000	\$150,000	\$150,000	\$150,000
• Earthquake	\$150,000	\$150,000	\$150,000	\$150,000
• Flood	\$150,000	\$150,000	\$150,000	\$150,000
Annual Premium	\$392,000	\$446,537	\$396,537	\$485,000

UTAH ASSOCIATION OF COUNTIES INSURANCE MUTUAL

PROPERTY MARKETING RESULTS

Description				
Insurance Company	Genesis (Option 2)	Allianz	Royal	USF&G
A.M. Best's Rating	A++ XV	A+ XV	A XIV	A XII
Property Limit	\$100,000,000	\$100,000,000	\$100,000,000	\$10,000,000
Flood Limit/Aggregate	\$10,000,000	\$25,000,000	\$15,000,000	\$10,000,000
Flood Zone "A" Sublimit	\$10,000,000	\$5,000,000	\$15,000,000	\$10,000,000
Earthquake Limit/Aggregate	\$10,000,000	\$25,000,000	\$15,000,000	\$10,000,000
Deductibles:				
• All Perils	\$250,000	\$150,000	\$150,000	\$150,000
• Earthquake	\$250,000	\$150,000	5% of location limit at time of loss	\$150,000
• Flood	\$250,000	\$150,000 \$500,000 (Zone A)	\$150,000 \$500,000 (Zone A)	\$150,000
Annual Premium	\$432,500	\$423,198	\$666,948	\$457,100

UTAH ASSOCIATION OF COUNTIES INSURANCE MUTUAL

PROPERTY MARKETING RESULTS

Description				
Insurance Company	ACE USA	TIG		
A.M. Best's Rating	A IX	A XII		
Property Limit	\$90,000,000	\$100,000,000		
Flood Limit/Aggregate	Excluded	\$25,000,000		
Flood Zone "A" Sublimit	Excluded	\$5,000,000		
Earthquake Limit/Aggregate	Excluded	\$25,000,000		
Deductibles:				
• All Perils	\$10,150,000	\$150,000		
• Earthquake	\$10,150,000	\$150,000		
• Flood	\$10,150,000	or 5% of values at time of loss \$150,000 \$500,000 (Zone A)		
Annual Premium	\$135,000	\$625,200		

LOSS FUND

COUNTY	1997	1998	1999	TOTAL	%	COMPARE 2000	LESS ADJUSTS	ADJUSTED LOSSES	AVERAGE LOSSES	2000 LOSS FUND	2001 LOSS FUND	2001 7% cap
Beaver	15,356	15,531	30,054	60,941	1.8	-46,975	0	60,941	20,314	33,183	44,637	35,506
Box Elder	39,124	10,189	8,263	57,576	1.7	-32,102	0	57,576	19,192	98,486	42,172	91,592
Cache	36,832	30,759	22,389	89,980	2.6	-34,683	0	89,980	29,993	110,396	65,907	102,668
Carbon	14,138	17,500	71,321	102,959	3.0	63,651	25,000	77,959	25,986	32,474	57,102	34,747
Daggett	0	13,244	2,146	15,390	0.4	15,390	0	15,390	5,130	10,766	11,273	11,273
Davis	335,504	74,104	64,887	474,496	13.7	-279,342	76,711	397,785	132,595	203,464	291,363	217,706
Duchesne	49,192	7,319	41,070	97,581	2.8	24,905	0	97,581	32,527	54,037	71,475	57,820
Emery	49,976	23,305	14,725	88,006	2.5	-14,818	5,328	82,678	27,559	100,600	60,558	93,558
Garfield	0	14,818	0	14,818	0.4	-19,644	0	14,818	4,939	29,408	10,854	27,349
Grand	714	390	33,438	34,542	1.0	-358	0	34,542	11,514	44,557	25,301	41,438
Iron	8,793	111,785	1,769	122,348	3.5	-55,219	32,500	89,848	29,949	81,040	65,810	75,367
Juab	17,236	172,467	5,501	195,204	5.6	1,217	63,084	132,120	44,040	47,285	96,773	50,595
Kane	0	133,431	10,000	143,431	4.1	-11,154	25,000	118,431	39,477	29,121	86,746	31,159
Millard	8,821	78,611	21,652	109,084	3.2	-11,416	31,192	77,892	25,964	51,696	57,053	55,315
Plute	0	0	0	0	0.0	-7,174	0	0	0	5,542	0	5,154
Rich	0	2,564	100,000	102,564	3.0	90,243	50,000	52,564	17,521	13,930	38,501	14,905
San Juan	5,522	93,670	48,902	148,095	4.3	17,740	32,159	115,936	38,645	70,751	84,919	75,704
Sampete	1,776	2,075	18,200	22,050	0.6	-10,935	0	22,050	7,350	46,366	16,151	43,120
Sevier	14,415	15,710	1,125	31,251	0.9	-2,908	0	31,251	10,417	27,899	22,890	25,946
Uintah	83,756	42,851	47,971	174,578	5.0	-40,402	32,746	141,832	47,277	104,858	103,887	103,887
Utah	105,343	169,093	120,957	395,392	11.4	-173,029	15,000	380,392	126,797	205,834	278,623	220,242
Wasatch	262,316	3,649	190,669	456,633	13.2	31,236	300,000	156,633	52,211	70,242	114,728	75,159
Washington	7,024	78,101	28,120	113,246	3.3	22,340	0	113,246	37,749	100,910	82,948	93,846
Wayne	569	23,849	0	24,418	0.7	-23,831	0	24,418	8,139	17,511	17,886	17,886
Weber	44,830	24,179	318,560	387,570	11.2	179,573	140,000	247,570	82,523	105,661	181,336	113,057
TOTALS	1,101,238	1,159,194	1,201,720	3,462,152	100		828,720	2,633,432	877,811	1,696,017	1,928,892	1,715,000

REINSURANCE

COUNTY	INSURABLE VALUE	PREMIUM PROPERTY	NUMBER of VEHICLES	PREMIUM AUTO LIAB	EXPENDITURES	PREMIUM LIABILITY	NUMBER of EMPLOYEES	PREMIUM E&O	%	2001 REINSURANCE	2000 REINSURANCE
Beaver	13,984,520	7,541	33	2,943	3,804,005	1,452	75	1,587	1.6	13,523	10,048
Box Elder	33,332,761	17,974	136	12,128	9,804,794	3,742	155	3,280	4.3	37,124	28,207
Cache	34,475,937	18,590	212	18,906	18,959,783	7,237	169	3,576	5.5	48,309	36,974
Carbon	22,244,448	11,995	97	8,650	9,134,031	3,486	121	2,560	3.1	26,692	20,234
Daggett	5,261,446	2,837	32	2,854	3,363,229	1,284	38	804	0.9	7,779	7,779
Davis	66,972,203	36,113	201	17,925	52,000,000	19,848	650	13,753	10.1	87,639	69,091
Duchesne	25,064,521	13,515	105	9,364	10,726,958	4,094	119	2,518	3.4	29,491	20,418
Emery	24,120,135	13,006	133	11,861	10,609,000	4,049	106	2,243	3.6	31,159	25,071
Garfield	13,604,769	7,336	61	5,440	5,700,795	2,176	72	1,523	1.9	16,475	13,009
Grand	13,467,216	7,262	54	4,816	6,233,218	2,379	100	2,116	1.9	16,573	13,190
Iron	26,761,208	14,430	106	9,453	11,877,064	4,533	141	2,983	3.6	31,400	24,695
Juab	19,152,357	10,327	73	6,510	5,781,445	2,207	55	1,164	2.3	20,208	14,461
Kane	5,712,604	3,080	58	5,172	6,098,767	2,328	62	1,312	1.4	11,892	8,812
Millard	24,179,823	13,038	124	11,058	11,919,718	4,550	125	2,645	3.6	31,291	23,880
Piute	3,413,455	1,841	23	2,051	1,276,100	487	24	508	0.6	4,887	4,010
Rich	2,734,890	1,475	40	3,567	1,768,420	675	35	741	0.7	6,457	5,054
San Juan	20,978,000	11,312	187	16,677	10,001,098	3,817	120	2,539	3.9	34,345	27,636
Sanpete	11,014,269	5,939	54	4,816	5,324,412	2,032	67	1,418	1.6	14,205	11,575
Sevier	17,651,329	9,518	103	9,185	10,921,625	4,169	114	2,412	2.9	25,284	19,489
Uintah	36,587,992	19,729	116	10,345	22,800,000	8,702	192	4,063	4.9	42,839	32,896
Utah	79,145,910	42,677	242	21,581	60,787,661	23,202	661	13,986	11.7	101,447	77,570
Wasatch	27,600,319	14,883	115	10,256	7,293,781	2,784	166	3,512	3.6	31,435	21,617
Washington	31,465,613	16,967	129	11,504	19,624,000	7,490	300	6,348	4.9	42,309	31,493
Wayne	2,989,185	1,612	45	4,013	2,294,394	876	18	381	0.8	6,882	6,074
Weber	142,304,175	76,734	384	34,245	64,948,605	24,790	724	15,319	17.4	151,088	78,375
TOTALS	704,219,085	379,731	2,863	255,320	373,052,903	142,390	4,409	93,290	100	870,731	631,658

EXPENSE

TOTALS

COUNTY	PRO-RATA	PER MEMBER	PREMIUM EXPENSE	2000 PREMIUM	2001 PREMIUM	VARIANCE	%	2001 PREMIUM w/7% OVERALL CAP	VARIANCE	%
Beaver	10,540	11,118	21,658	65,378	70,686	5,308	2.1	69,954	4,576	2.1
Box Elder	27,671	11,118	38,789	169,078	167,505	-1,573	4.9	167,505	-1,573	5.1
Cache	32,457	11,118	43,574	194,768	194,552	-216	5.7	194,552	-216	5.9
Carbon	13,208	11,118	24,326	77,154	85,765	8,611	2.5	82,555	5,401	2.5
Daggett	4,096	11,118	15,213	39,500	34,264	-5,236	1.0	36,735	-2,765	1.1
Davis	65,643	11,118	76,760	345,992	382,106	36,114	11.2	370,211	24,219	11.3
Duchesne	18,770	11,118	29,888	104,173	117,199	13,026	3.4	111,465	7,292	3.4
Emery	26,812	11,118	37,929	177,523	162,646	-14,877	4.8	165,096	-12,427	5.0
Garfield	9,421	11,118	20,539	64,368	64,364	-4	1.9	64,364	-4	2.0
Grand	12,471	11,118	23,589	83,415	81,599	-1,816	2.4	81,599	-1,816	2.5
Iron	22,953	11,118	34,070	143,039	140,837	-2,202	4.1	140,837	-2,202	4.3
Juab	15,221	11,118	26,339	88,383	97,142	8,759	2.8	94,570	6,187	2.9
Kane	9,255	11,118	20,373	58,795	63,425	4,630	1.9	62,911	4,116	1.9
Millard	18,618	11,118	29,736	105,566	116,342	10,776	3.4	112,956	7,390	3.5
Piute	2,159	11,118	13,276	18,727	23,317	4,590	0.7	20,038	1,311	0.6
Rich	4,592	11,118	15,710	35,251	37,073	1,822	1.1	37,073	1,822	1.1
San Juan	23,658	11,118	34,776	133,907	144,824	10,917	4.2	143,280	9,373	4.4
Sanpete	12,324	11,118	23,441	83,655	80,766	-2,889	2.4	80,766	-2,889	2.5
Sevier	11,013	11,118	22,131	70,543	73,361	2,818	2.1	73,361	2,818	2.2
Uintah	31,543	11,118	42,661	182,821	189,386	6,565	5.5	189,386	6,565	5.8
Utah	69,156	11,118	80,274	346,567	401,963	55,396	11.8	370,827	24,260	11.3
Wasatch	22,915	11,118	34,033	125,797	140,627	14,830	4.1	134,603	8,806	4.1
Washington	29,271	11,118	40,388	176,172	176,543	371	5.2	176,543	371	5.4
Wayne	5,324	11,118	16,442	40,968	41,209	241	1.2	41,209	241	1.3
Weber	56,786	11,118	67,903	235,219	332,048	96,829	9.7	251,684	16,465	7.7
TOTALS	555,878	277,939	833,817	3,166,759	3,419,549	252,790	100	3,274,082	107,323	100

7% overall cap will
underfund the Mutual
\$145,467.

LOSS FUND

COUNTY	1997	1998	1999	TOTAL	%	COMPARE 2000	LESS ADJUSTS	ADJUSTED LOSSES	AVERAGE LOSSES	2000 LOSS FUND	2001 LOSS FUND
Beaver	15,356	15,531	30,054	60,941	1.8	-46,975	0	60,941	20,314	33,183	39,687
Box Elder	39,124	10,189	8,263	57,576	1.7	-32,102	0	57,576	19,192	98,486	37,496
Cache	36,832	30,759	22,389	89,980	2.6	-34,683	0	89,980	29,993	110,396	58,598
Carbon	14,138	17,500	71,321	102,959	3.0	63,651	25,000	77,959	25,986	32,474	50,770
Daggett	0	13,244	2,146	15,390	0.4	15,390	0	15,390	5,130	10,766	10,023
Davis	335,504	74,104	64,887	474,496	13.7	-279,342	76,711	397,785	132,595	203,464	259,054
Duchesne	49,192	7,319	41,070	97,581	2.8	24,905	0	97,581	32,527	54,037	63,549
Emery	49,976	23,305	14,725	88,006	2.5	-14,818	5,328	82,678	27,559	100,600	53,843
Garfield	0	14,818	0	14,818	0.4	-19,644	0	14,818	4,939	29,408	9,650
Grand	714	390	33,438	34,542	1.0	-358	0	34,542	11,514	44,557	22,495
Iron	8,793	111,785	1,769	122,348	3.5	-55,219	32,500	89,848	29,949	81,040	58,513
Juab	17,236	172,467	5,501	195,204	5.6	1,217	63,084	132,120	44,040	47,285	86,042
Kane	0	133,431	10,000	143,431	4.1	-11,154	25,000	118,431	39,477	29,121	77,127
Millard	8,821	78,611	21,652	109,084	3.2	-11,416	31,192	77,892	25,964	51,696	50,727
Piute	0	0	0	0	0.0	-7,174	0	0	0	5,542	0
Rich	0	2,564	100,000	102,564	3.0	90,243	50,000	52,564	17,521	13,930	34,232
San Juan	5,522	93,670	48,902	148,095	4.3	17,740	32,159	115,936	38,645	70,751	75,502
Sanpete	1,776	2,075	18,200	22,050	0.6	-10,935	0	22,050	7,350	46,366	14,360
Sevier	14,415	15,710	1,125	31,251	0.9	-2,908	0	31,251	10,417	27,899	20,352
Uintah	83,756	42,851	47,971	174,578	5.0	-40,402	32,746	141,832	47,277	104,858	92,367
Utah	105,343	169,093	120,957	395,392	11.4	-173,029	15,000	380,392	126,797	205,834	247,727
Weatch	262,316	3,649	190,669	456,633	13.2	31,236	300,000	156,633	52,211	70,242	102,006
Washington	7,024	78,101	28,120	113,246	3.3	22,340	0	113,246	37,749	100,910	73,750
Wayne	569	23,849	0	24,418	0.7	-23,831	0	24,418	8,139	17,511	15,902
Weber	44,830	24,179	318,560	387,570	11.2	179,573	140,000	247,570	82,523	105,661	161,228
TOTALS	1,101,238	1,159,194	1,201,720	3,462,152	100		828,720	2,633,432	877,811	1,696,017	1,715,000

REINSURANCE

COUNTY	INSURABLE VALUE	PREMIUM PROPERTY	NUMBER of VEHICLES	PREMIUM AUTO LIAB	EXPENDITURES	PREMIUM LIABILITY	NUMBER of EMPLOYEES	PREMIUM E&O	%	2001 REINSURANCE	2000 REINSURANCE
Beaver	13,984,520	7,541	33	2,830	3,804,005	751	75	2,725	1.6	13,846	10,048
Box Elder	33,332,761	17,974	136	11,662	9,804,794	1,936	155	5,631	4.3	37,203	28,207
Cache	34,475,937	18,590	212	18,179	18,959,783	3,743	179	6,503	5.4	47,016	36,974
Carbon	22,244,448	11,995	97	8,318	9,134,031	1,803	121	4,396	3.0	26,512	20,234
Daggett	5,261,446	2,837	32	2,744	3,363,229	664	43	1,562	0.9	7,807	0
Davis	66,972,203	36,113	201	17,236	52,000,000	10,266	753	27,358	10.4	90,973	69,091
Duchesne	25,064,521	13,515	105	9,004	10,726,958	2,118	121	4,396	3.3	29,033	20,418
Emery	24,120,135	13,006	133	11,405	10,609,000	2,094	106	3,851	3.5	30,356	25,071
Garfield	13,604,769	7,336	61	5,231	5,700,795	1,125	74	2,689	1.9	16,381	13,009
Grand	13,467,216	7,262	54	4,630	6,233,218	1,231	100	3,633	1.9	16,756	13,190
Iron	26,761,208	14,430	106	9,089	11,877,064	2,345	150	5,450	3.6	31,314	24,695
Juab	19,152,357	10,327	73	6,260	5,781,445	1,141	58	2,107	2.3	19,836	14,461
Kane	5,712,604	3,080	58	4,973	6,098,767	1,204	73	2,652	1.4	11,910	8,812
Millard	24,179,823	13,038	124	10,633	11,919,718	2,353	138	5,014	3.6	31,038	23,880
Piute	3,413,455	1,841	23	1,972	1,276,100	252	24	872	0.6	4,937	4,010
Rich	2,734,890	1,475	40	3,430	1,768,420	349	35	1,272	0.7	6,525	5,054
San Juan	20,978,000	11,312	187	16,035	10,001,098	1,974	120	4,360	3.9	33,681	27,636
Sanpete	11,014,269	5,939	54	4,630	5,324,412	1,051	76	2,761	1.7	14,382	11,575
Sevier	17,651,329	9,518	103	8,832	10,921,625	2,156	114	4,142	2.8	24,648	19,489
Uintah	36,587,992	19,729	116	9,947	22,800,000	4,501	306	11,118	5.2	45,295	32,896
Utah	79,145,910	42,677	242	20,751	60,787,661	12,001	695	25,251	11.6	100,680	77,570
Wasatch	27,600,319	14,883	115	9,861	7,293,781	1,440	171	6,213	3.7	32,397	21,617
Washington	31,465,613	16,967	129	11,062	19,624,000	3,874	301	10,936	4.9	42,839	31,493
Wayne	2,989,185	1,612	45	3,859	2,294,394	453	18	654	0.8	6,577	6,074
Weber	142,304,175	76,734	384	32,928	64,948,605	12,822	724	26,304	17.1	148,788	78,375
TOTALS	704,219,085	379,731	2,863	245,500	373,052,903	73,650	4,730	171,850	100	870,731	623,879

Note: Exposures emphasized more than 2000 formula (100% property, 50% auto, 15% expenditures, 35% EO).

EXPENSE

TOTALS

COUNTY	PRO-RATA	PER MEMBER	PREMIUM EXPENSE	2000 PREMIUM	2001 PREMIUM	VARIANCE	%	2001 w/7% OVERALL CAP	VARIANCE	%	2001 w/17% OVERALL CAP	VARIANCE	%
Beaver	10,540	11,118	21,658	65,378	75,191	9,813	2.2	69,954	4,576	2.2	75,191	9,813	2.3
Box Elder	27,671	11,118	38,789	169,078	113,488	-55,590	3.3	157,243	-11,835	4.9	140,335	-28,743	4.3
Cache	32,457	11,118	43,574	194,768	149,189	-45,579	4.4	181,134	-13,634	5.7	161,657	-33,111	5.0
Carbon	13,208	11,118	24,326	77,154	101,607	24,453	3.0	82,555	5,401	2.6	90,270	13,116	2.8
Daggett	4,096	11,118	15,213	39,500	33,043	-6,457	1.0	36,735	-2,765	1.1	33,043	-6,457	1.0
Davis	65,643	11,118	76,760	345,992	426,787	80,795	12.5	370,211	24,219	11.6	404,811	58,819	12.5
Duchesne	18,770	11,118	29,888	104,173	122,469	18,296	3.6	111,465	7,292	3.5	121,882	17,709	3.8
Emery	26,812	11,118	37,929	177,523	122,129	-55,394	3.6	165,096	-12,427	5.2	147,344	-30,179	4.5
Garfield	9,421	11,118	20,539	64,368	46,570	-17,798	1.4	59,862	-4,506	1.9	53,425	-10,943	1.6
Grand	12,471	11,118	23,589	83,415	62,840	-20,575	1.8	77,576	-5,839	2.4	69,234	-14,181	2.1
Iron	22,953	11,118	34,070	143,039	123,897	-19,142	3.6	133,026	-10,013	4.2	123,897	-19,142	3.8
Juab	15,221	11,118	26,339	88,383	132,216	43,833	3.9	94,570	6,187	3.0	103,408	15,025	3.2
Kane	9,255	11,118	20,373	58,795	109,410	50,615	3.2	62,911	4,116	2.0	68,790	9,995	2.1
Millard	18,618	11,118	29,736	105,566	111,501	5,935	3.3	111,501	5,935	3.5	111,501	5,935	3.4
Plute	2,159	11,118	13,276	18,727	18,213	-514	0.5	18,213	-514	0.6	18,213	-514	0.6
Rich	4,592	11,118	15,710	35,251	56,467	21,216	1.7	37,719	2,468	1.2	41,244	5,993	1.3
San Juan	23,658	11,118	34,776	133,907	143,959	10,052	4.2	143,280	9,373	4.5	143,959	10,052	4.4
Sanpete	12,324	11,118	23,441	83,655	52,183	-31,472	1.5	77,799	-5,856	2.4	69,434	-14,221	2.1
Sevier	11,013	11,118	22,131	70,543	67,131	-3,412	2.0	67,131	-3,412	2.1	67,131	-3,412	2.1
Uintah	31,543	11,118	42,661	182,821	180,322	-2,499	5.3	180,322	-2,499	5.6	180,322	-2,499	5.6
Utah	69,156	11,118	80,274	346,567	428,682	82,115	12.5	370,827	24,260	11.6	405,483	58,916	12.5
Wasatch	22,915	11,118	34,033	125,797	168,435	42,638	4.9	134,603	8,806	4.2	147,182	21,385	4.5
Washington	29,271	11,118	40,388	176,172	156,977	-19,195	4.6	163,840	-12,332	5.1	156,977	-19,195	4.8
Wayne	5,324	11,118	16,442	40,968	38,922	-2,046	1.1	38,922	-2,046	1.2	38,922	-2,046	1.2
Weber	56,786	11,118	67,903	235,219	377,919	142,700	11.1	251,684	16,465	7.9	275,206	39,987	8.5
TOTALS	555,878	277,939	833,817	3,166,759	3,419,548	252,789	100	3,198,180	31,421	100	3,248,864	82,105	100

7% overall cap will
underfund the Mutual
\$221,368

17% overall cap will
underfund the Mutual
\$170,684

EXPOSURE BASED SCHEDULE

COUNTY	INSURABLE VALUE	PREMIUM PROPERTY	NUMBER of VEHICLES	PREMIUM VEHICLES	EXPENDITURES	PREMIUM REVENUES	NUMBER of EMPLOYEES	PREMIUM PAYROLL	2001 PREMIUM	2000 PREMIUM	VARIANCE	%	2001 PREMIUM	2001 w/7% OVERALL CAP
Beaver	13,984,520	13,581	33	9,854	3,804,005	5,230	75	21,688	50,354	65,378	-15,024	1.5	50,354	60,802
Box Elder	33,332,761	32,371	136	40,609	9,804,794	13,481	155	44,823	131,285	169,078	-37,793	3.8	131,285	157,243
Cache	34,475,937	33,482	212	63,303	18,959,783	26,069	179	51,763	174,616	194,768	-20,152	5.1	174,616	181,134
Carbon	22,244,448	21,603	97	28,964	9,134,031	12,559	121	34,991	98,117	77,154	20,963	2.9	98,117	82,555
Daggett	5,261,446	5,110	32	9,555	3,363,229	4,624	43	12,435	31,724	39,500	-7,776	0.9	31,724	36,735
Davis	66,972,203	65,041	201	60,018	52,000,000	71,498	753	217,752	414,309	345,992	68,317	12.1	414,309	370,211
Duchesne	25,064,521	24,342	105	31,353	10,726,958	14,749	121	34,991	105,434	104,173	1,261	3.1	105,434	105,434
Emery	24,120,135	23,424	133	39,714	10,609,000	14,587	106	30,653	108,378	177,523	-69,145	3.2	108,378	165,096
Garfield	13,604,769	13,212	61	18,214	5,700,795	7,838	74	21,399	60,665	64,368	-3,703	1.8	60,665	60,665
Grand	13,467,216	13,079	54	16,124	6,233,218	8,570	100	28,918	66,691	83,415	-16,724	2.0	66,691	77,576
Iron	26,761,208	25,989	106	31,651	11,877,064	16,330	150	43,377	117,348	143,039	-25,691	3.4	117,348	133,026
Juab	19,152,357	18,600	73	21,798	5,781,445	7,949	58	16,772	65,119	88,383	-23,264	1.9	65,119	82,196
Kane	5,712,604	5,548	58	17,319	6,098,767	8,386	73	21,110	52,362	58,795	-6,433	1.5	52,362	54,679
Millard	24,179,823	23,482	124	37,026	11,919,718	16,389	138	39,907	116,805	105,566	11,239	3.4	116,805	112,956
Piute	3,413,455	3,315	23	6,868	1,276,100	1,755	24	6,940	18,878	18,727	151	0.6	18,878	18,878
Rich	2,734,890	2,656	40	11,944	1,768,420	2,432	35	10,121	27,153	35,251	-8,098	0.8	27,153	32,783
San Juan	20,978,000	20,373	187	55,838	10,001,098	13,751	120	34,702	124,663	133,907	-9,244	3.6	124,663	124,663
Sanpete	11,014,269	10,697	54	16,124	5,324,412	7,321	76	21,978	56,119	83,655	-27,536	1.6	56,119	77,799
Sevier	17,651,329	17,142	103	30,756	10,921,625	15,017	114	32,966	95,881	70,543	25,338	2.8	95,881	75,481
Uintah	36,587,992	35,533	116	34,637	22,800,000	31,349	306	88,489	190,008	182,821	7,187	5.6	190,008	190,008
Utah	79,145,910	76,863	242	72,261	60,787,661	83,580	695	200,980	433,684	346,567	87,117	12.7	433,684	370,827
Wasatch	27,600,319	26,804	115	34,339	7,293,781	10,029	171	49,450	120,621	125,797	-5,176	3.5	120,621	120,621
Washington	31,465,613	30,558	129	38,519	19,624,000	26,982	301	87,043	183,102	176,172	6,930	5.4	183,102	183,102
Wayne	2,989,185	2,903	45	13,437	2,294,394	3,155	18	5,205	24,700	40,968	-16,268	0.7	24,700	38,100
Weber	142,304,175	138,200	384	114,662	64,948,605	89,302	724	209,366	551,529	235,219	316,310	16.1	380,029	251,684
TOTALS	704,219,085	683,909	2,863	854,887	373,052,903	512,932	4,730	1,367,818	3,419,546	3,166,759	252,787	100	3,248,046	3,164,256

No cap but underfund
the Mutual \$171,500

Note: New scenario with exposure based formula (20% property, 25% auto, 15% revenues, 40% payroll).

MEMBER PERCENTAGES of LOSSES/EXPOSURES

COUNTY	ADJUSTED LOSSES	%	TOTAL INSURABLE VALUE	%	NUMBER of VEHICLES	%	TOTAL EXPENDITURES	%	NUMBER of EMPLOYEES	%
Beaver	60,941	2%	13,984,520	2%	33	1%	3,804,005	1%	75	2%
Box Elder	57,576	2%	33,332,761	5%	136	5%	9,804,794	3%	155	3%
Cache	89,980	3%	34,475,937	5%	212	7%	18,959,783	5%	179	4%
Carbon	77,959	3%	22,244,448	3%	97	3%	9,134,031	2%	121	3%
Daggett	15,390	1%	5,261,446	1%	32	1%	3,363,229	1%	43	1%
Davis	397,785	15%	66,972,203	10%	201	7%	52,000,000	14%	753	16%
Duchesne	97,581	4%	25,064,521	4%	105	4%	10,726,958	3%	121	3%
Emery	82,678	3%	24,120,135	3%	133	5%	10,609,000	3%	106	2%
Garfield	14,818	1%	13,604,769	2%	61	2%	5,700,795	2%	74	2%
Grand	34,542	1%	13,467,216	2%	54	2%	6,233,218	2%	100	2%
Iron	89,848	3%	26,761,208	4%	106	4%	11,877,064	3%	150	3%
Juab	132,120	5%	19,152,357	3%	73	3%	5,781,445	2%	58	1%
Kane	118,431	4%	5,712,604	1%	58	2%	6,098,767	2%	73	2%
Millard	77,892	3%	24,179,823	3%	124	4%	11,919,718	3%	138	3%
Piute	0	0%	3,413,455	0%	23	1%	1,276,100	0%	24	1%
Rich	52,564	2%	2,734,890	0%	40	1%	1,768,420	0%	35	1%
San Juan	115,936	4%	20,978,000	3%	187	7%	10,001,098	3%	120	3%
Sanpete	22,050	1%	11,014,269	2%	54	2%	5,324,412	1%	76	2%
Sevier	31,251	1%	17,651,329	3%	103	4%	10,921,625	3%	114	2%
Uintah	141,832	5%	36,587,992	5%	116	4%	22,800,000	6%	306	6%
Utah	380,392	14%	79,145,910	11%	242	8%	60,787,661	16%	695	15%
Wasatch	156,633	6%	27,600,319	4%	115	4%	7,293,781	2%	171	4%
Washington	113,246	4%	31,465,613	4%	129	5%	19,624,000	5%	301	6%
Wayne	24,418	1%	2,989,185	0%	45	2%	2,294,394	1%	18	0%
Weber	247,570	9%	142,304,175	20%	384	13%	64,948,605	17%	724	15%
TOTALS	2,633,433	100%	704,219,085	100%	2,863	100%	373,052,903	100%	4,730	100%

EXPOSURES

COUNTY	TOTAL INSURED VALUE			NUMBER OF VEHICLES			TOTAL EXPENDITURES			NUMBER OF EMPLOYEES		
	1999	2000	2001	1999	2000	2001	1999	2000	2001	1999	2000	2001
Beaver	14,053,916	14,053,916	13,984,520	42	42	33	5,618,187	3,458,187	3,804,005	68	68	75
Box Elder	30,344,521	31,189,654	33,332,761	135	152	136	8,309,599	8,992,716	9,804,794	150	155	155
Cache	31,959,427	33,279,827	34,475,937	188	199	212	17,711,874	18,885,584	18,959,783	168	163	169
Carbon		22,172,573	22,244,448		97	97		8,913,057	9,134,031		120	121
Daggett			5,261,446			32			3,363,229			38
Davis	60,511,061	64,133,430	66,972,203	209	206	201	47,000,000	56,000,000	52,000,000	550	615	650
Duchesne	23,998,115	23,100,049	25,064,521	103	101	105	9,023,229	7,966,644	10,726,958	114	118	119
Emery	24,428,909	23,805,154	24,120,135	129	142	133	10,355,317	10,661,712	10,609,000	107	105	106
Garfield	8,685,977	13,773,777	13,604,769	48	70	61	4,758,952	5,182,541	5,700,795	86	60	72
Grand	11,730,940	12,616,099	13,467,216	65	56	54	6,237,654	7,502,433	6,233,218	95	100	100
Iron	28,158,517	28,642,478	26,761,208	100	117	106	8,974,594	10,533,705	11,877,064	215	140	141
Juab	18,804,838	18,860,606	19,152,357	68	71	73	5,651,795	5,701,597	5,781,445	56	55	55
Kane	5,607,330	5,607,330	5,712,604	52	59	58	2,200,000	2,800,000	6,098,767	54	48	62
Millard	22,718,666	24,529,419	24,179,823	113	121	124	10,996,311	10,996,311	11,919,718	120	124	125
Piute	4,678,539	3,449,455	3,413,455	24	24	23	1,285,900	1,246,000	1,276,100	26	24	24
Rich	2,296,404	2,562,339	2,734,890	34	34	40	1,585,000	1,585,000	1,768,420	35	35	35
San Juan	18,143,000	18,468,000	20,978,000	185	188	187	10,010,000	9,978,626	10,001,098	103	105	120
Sanpete	11,121,446	10,934,136	11,014,269	56	59	54	5,362,946	5,651,147	5,324,412	64	64	67
Sevier	16,501,273	16,601,629	17,651,329	102	105	103	8,304,439	9,235,419	10,921,625	92	110	114
Uintah	35,413,200	36,577,992	36,587,992	122	122	116	24,700,000	22,800,000	22,800,000	200	189	192
Utah	73,818,182	82,913,562	79,145,910	226	247	242	52,454,334	55,842,946	60,787,661	694	623	661
Wasatch	16,441,172	26,289,654	27,600,319	91	101	115	6,121,535	6,752,591	7,293,781	160	160	166
Washington	29,127,229	29,429,461	31,465,613	113	128	129	18,331,000	18,544,000	19,624,000	230	260	300
Wayne	3,617,842	2,989,185	2,989,185	45	45	45	2,195,738	2,294,394	2,294,394	18	18	18
Weber	75,536,286	119,277,744	142,304,175	117	161	384	57,647,642	51,200,070	64,948,605	683	687	724
TOTALS	567,696,790	665,257,469	704,219,085	2,367	2,647	2,863	324,836,046	342,724,680	373,052,903	4,088	4,146	4,409

2000 Premium Formula Options

Total premium for property, liability, and loss fund increases \$252,790 over last year (approx. 7.5% increase). This does not include the \$150,000 cushion included in last year's premium.

Chart #1: 2000 Formula

1. Loss Fund is calculated using the previous three year's losses, adjusted for recoveries, reductions in reserves, etc.
2. Adjusting out losses above \$25,000 per occurrence to level out "shock" losses.
3. The result is capped + or - 7%.
4. Expense is 2/3rds pro-rata and 1/3 per member.
5. The chart shows premium based on the formula w/and w/o 7% cap. Note: this provides a "double" cap, on the loss fund and on the overall premium.
6. **The 7% cap under-funds the loss fund by \$145,467 (approx. 91.5%).**

Chart #2 Modified Exposure-Based Formula

1. Loss Fund is calculated using 2000 formula without a cap.
2. Reinsurance is calculated allocating 100% property, 50% auto, 15% expenditures, 35% E&O (based on FTE).
3. Expenses were calculated according to the 2000 formula.
4. **7% overall cap under-funds the loss fund by \$221,368 (approx. 87%).**
5. **17% overall cap under-funds the loss fund by \$170,684 (approx. 90%).**

Chart #3 Exposure-Based Formula

1. Exposure based: 20% property, 25% auto, 15% revenues, 40% **expenditures.**
2. Shows 2001 premium based on formula (fully funded).
3. With the loss fund funded at 90%.
4. With a 7% overall cap, loss fund funded at 85%.

